

Crown Pastoral Land Tenure Review

Lease name : LAKE HAWEA

Lease number : PO 286

Due Diligence Report (including Status Report)

This report and attachments results from a pre-Tenure Review assessment of the pastoral lease for the purpose of confirming land available for Tenure Review and any issues, rights or obligations attaching to it. The information is gathered from files and other sources available to the LINZ contractor.

Part of the information relates to research on the status of the land, resulting in a Status Report that is signed off by a LINZ approving officer. The remainder of the information is not analysed for relevancy or possible action until required, and LINZ does not guarantee its accuracy or completeness as presented.

The report attached is released under the Official Information Act 1982.

July

05

DUE DILIGENCE REPORT

CPL PRE TENURE REVIEW ASSESSMENT STANDARD 6:

File Ref: Po286 **Report No:** AT2015 **Report Date:** 26 June 2002

LINZ Ref: 12550

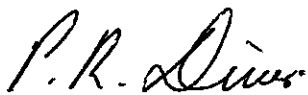
Office of Agent: Alexandra **LINZ Case No:** **Date sent to LINZ:** 26/6/02

RECOMMENDATIONS:

- (1) That the Commissioner of Crown Lands or his delegate **note** this Due Diligence Report which has been prepared in accordance with the Pre Tenure Review Assessment Standard.
- (2) That the Commissioner of Crown Lands or his delegate **note** the following incomplete actions which require action by the Manager of Crown Property Contracts.

- 2.1 A road to Timaru Creek was closed by New Zealand Gazette 1962 Page 463 as part of the Water Power Development. Information from Treasury is that this area was offered to Land Information New Zealand for disposal on 23 March 2000. To date LINZ has not responded to the offer. The intention appears to be that this would be incorporated into the lease.
- 2.2 The Status Check identified that following the cancellation of SO 24540 in March 2000, the new appellation No 943781.1 should also be cancelled.
- 2.3 The Status Check legal description differs from the CIR due to the cancellation of the above SO 24540.
- 2.4 An error in the CIR cover sheet records Memorial 64380 as registered in 1995 whereas it was registered in 1985.
- 2.5 The Status Check area of the lease differs from that of the Computer Interest Register. The correct area is 11325.6176 ha.

Signed for DTZ New Zealand Limited:



P R Diver:

Approved/Declined (*pursuant to a delegation from the Commissioner of Crown Lands*) **by:**

Name:

Date of decision:

(1) Details of lease:

Lease Name: Lake Hawea

Location: The lease is located on the south-eastern shore of Lake Hawea encompassing the mountain lands between Timaru Creek and Grandview Creek and the headwaters Breast Creek into the Lindis.

The homestead is located at the mouth of Johns Creek some 15 km from Wanaka the local service centre.

Lessee: Lake Hawea Station Limited.

Tenure: Pastoral lease under the Land Act 1948 and Crown Pastoral Land Act 1998. Pastoral Lease Number 286.

Term: 33 years from 1 July 1993 to 30 June 2026.

Annual Rent: \$7,200 (plus GST)

Rental Value: \$480,000

Date of Next Review: 1 July 2004

Land Registry Folio Ref: OTA2/1254

Legal Description: Part Run 236, Part Run 236A and Section 3 Block XV Lower Hawea Survey District, being all the land contained in Instrument of Title OTA2/1254

Area: 11325.6176 ha

(2) File Search:

Files held by LINZ Christchurch:

<i>File Reference</i>	<i>Volume</i>	<i>First Folio</i>	<i>Date</i>	<i>Last Folio</i>	<i>Date</i>
5200/D14/L04-1-DNO		No Number	12/7/1993	No Number	19/10/1994
Con/00/04/06-ZDN		No Number	undated	No Number	16/3/1999
CPA/06/00/04-ZDN		No Number	11/11/1998	No Number	1/2/2000
MP-0015880		No Number	7/6/1955	No Number	17/2/1981
MWP-0015878		1	22/12/1897	119	7/3/1927
P286	1	219	22/4/1957	360	25/3/1965

Files held by Agent in Alexandra on behalf of LINZ:

<i>File Reference</i>	<i>Volume</i>	<i>First Folio</i>	<i>Date</i>	<i>Last Folio</i>	<i>Date</i>
Po286	2	361	15/3/1967	543	18/10/1994
Po286	3	1	31/10/1994	43	1/11/1998
CON/50213/09/ 12550/A-ZNO	4	1	3/7/2000	3	5/12/2001

From Lake Hawea Power Project file (MP0015880) prior to the issue of the pastoral lease negotiations took place for the taking of land for the raising of Lake Hawea and the establishment of an alternative road to Timaru Creek. 174 acres 3 roods were taken by proclamation in 1959 and the commitment to establish a road to Timaru Creek made (*to be taken over by the County as a public road*).

No files pre 1958 were available for search but Run 236 of 23800 acres 1 rood 12 perches was issued as PR1781 in 1910 for 14 years and renewed in 1925 for 35 years. Five small areas were surrendered from the run for crib house sites from time to time to give a reduced area of 23750 acres 0 roods 4 perches.

James Rowley purchased the lease in 1948 and transferred ownership to a Trustee Company in 1958. He held both PR1781 (*Run 236*) and PR1781 (*Run 236A*), a total of 28234 acres 0 roods 11 perches.

In 1958 discussions were held in relation to removing some land from the lease to add to the neighbouring "Mount Grand" Station, but nothing eventuated despite much correspondence prior to pastoral lease issue.

In 1958 30 acres 2 rood 31 perches was taken by Gazette for Water Power Development (*Roxburgh Power Scheme - Lake Hawea Control*).

Just prior to lease issue the existence of 3 illegal cribs on the lease near the lake was noted. One was on a closed road but the other two were on the lease. These were held by friends of the Rowleys. To legalise their existence a proposal was put up to remove 3 acres 2 roods from the lease, use the closed road and some land taken for Hydro Development to create a total of 15 small sections to be earmarked for future holiday crib development. While the Rowleys were happy to cater for the 3 existing cribs they objected strongly to the creation of a larger settlement area. Under threat of only being granted a short term POL over the crib site area he relented and allowed the 3 acres 2 roods to be excluded from the lease. A proposed clause in the lease to allow future resumption without compensation for other crib sites was objected to and later dropped.

The Rowleys insisted on a special clause being put into the lease to exempt them from any capital establishment costs of fences for the cribs. This was agreed to and included in the lease document.

A pastoral lease was issued over Part Run 236 and Run 236A for 33 years from 1 July 1960 with a base stock limitation of 5115 sheep (*including not more than 1980 breeding ewes*) plus 60 cattle. The 3 acres 2 roods crib area was excluded from the lease in 1960 as was 34 acres 2 roods 19.4 perches taken for new road to Timaru Creek (1963).

The Vincent County Council investigated the establishment of a tip site at Johns Creek which they thought could have been on part of the lease. They were provided detailed maps of the area to define the boundaries, but no further contact was made in relation to this matter.

In 1963 a Catchment Board Farm Plan was undertaken involving conservation fencing, cattle-proofing, aerial oversowing and topdressing and some tree planting. It did not involve any surrender of destocking of lands and no legal agreement was registered on the lease document.

A personal stock exemption was granted in 1965 for 5750 sheep (*including not more than 2250 breeding ewes*) and 180 cattle (*including not more than 100 breeding cows*).

A personal stock exemption was granted in 1968 for 6000 sheep (including not more than 2500 breeding ewes) and 250 cattle (*including not more than 200 breeding cows*).

A Catchment Board Farm Plan involving cattle proofing, erosion control fencing, temporary retirement fencing and offsite oversowing and top dressing was adopted in 1979. The temporary retirement was for 3 - 5 years of 2575 acres in the catchments of Grandview and Johns Creek. The programme involved no permanent retirement, or surrender. No legal agreement was registered on the lease.

In 1972 a farm plan addition was approved involving onsite oversowing and top dressing of some 680 acres of depleted lower faces in Grandview Creek.

A personal stock exemption was granted in 1972 for 6500 sheep (*including not more than 2750 breeding ewes*) and 300 cattle (*including not more than 250 breeding cows*).

In 1974 concern and reports were made over lakeshore erosion caused by high lake levels.

A 3.2 km conservation fencing addition was made to the farm plan in 1974 on the Breast Creek Block and a 7 km fence on the Castle Rocks Block in 1977.

In 1979 discussions were held with DoC re the development of a picnic area at the mouth of the Timaru River. A small area of the proposal was in the pastoral lease.

A personal stock exemption was granted in 1980 for 7200 sheep (*including not more than 3000 breeding ewes*) and 300 cattle (*including not more than 250 breeding cows*).

A Land Development Encouragement Loan was taken up in 1980.

A 4.3410 ha area at Gladstone was proposed to be removed from the pastoral lease to protect against further lake shore erosion but the Rowleys refused to agree to its removal and the idea was eventually dropped.

A personal stock exemption was granted in 1981 for 8000 sheep (*including not more than 3600 breeding ewes*) and 320 cattle (*including not more than 250 breeding cows*).

A 2 km access track and airstrip associated with it on Johns Creek was approved in 1982.

A third stage farm plan was approved in 1985 involving 15 km of erosion control fences (*5 fences*) on the lease and 0.7 km of windbreaks (*on freehold land*). A legal agreement was registered in relation to this. It contains no retirement or surrender commitments.

A personal stock exemption was granted in 1985 for 9500 sheep (*including not more than 4200 breeding ewes*) and 400 cattle (*including not more than 170 breeding cows*). An overall limit of 11200 sheep (*including not more than 5000 breeding ewes*) and 400 cattle (*including not more than 170 breeding cows*).

Block limitations were imposed on:

- Breast Peak Block - a maximum of 31 su consisting of dry ewes for a period of 2 weeks with conservative cattle grazing to utilise rank growth on the lower portions.
- Right Branch Block - spelled November until the beginning of February.

Additional tracking of 4 km in the Nook and Grandview Block were approved in 1985.

Two vegetation monitoring sites were established on the Breast Peak Block in 1985.

A small burning infringement occurred in 1985 but was not pursued.

Three RAP were identified on the lease by the Protect Natural Areas Programme survey in 1988.

A 1 km track in Grandview creek was approved in 1989.

Regular burning applications for patch burning of improved bracken fern on the front faces were processed in the 1980's and 1990's.

The lease was renewed for 33 years from the 1 July 1993 with annual rent of \$7,200 based on a rental value of \$480,000. Marginal strips were identified on Breast, Johns and Grandview Creeks (*folio 519*).

The Rowleys applied for an exemption to the marginal strip requirement on Johns Creek as it passed very close to the homestead. This was not granted, as it was not within the power of the Chief Surveyor (*folio 534*).

In 1993 partnership between Jeremy and Thomas Rowley was dissolved in 1993 with Thomas taking over all the shares in Lake Hawea Station Limited.

A piped water easement was granted by the CCL in 1994 to convey water across the lease from Grandview Creek to adjacent freehold land held by Lincoln University and by the Rowley Family.

The lease renewal was registered in 1995.

Between 1995 - 2001 annual processing of burning consents occurred.

A land condition monitoring report (1985 - 1997) was completed in 1998.

An undertaking was given by the CCL in 1999, as part of the due diligence process for Contact Energy taking over the operating easement on Lake Hawea, to negotiate further access agreements to the lake shore as part of the tenure review process (*folio 25 - see Attachment 2*).

An application for tenure review was received in 2001.

(3) Summary of lease document:

Terms of lease:

The commencement date of the pastoral lease on Crown files is in agreement with the Lease Document (*OT A2/1254*).

The lease was issued on 1 July 1960 under the Land Act 1948 for a term of 33 years to Lake Hawea Station Limited. The lease was renewed for a further 33 years commencing on 1 July 1993.

A non-standard condition contained in the lease is:

"That the Lessee shall for the consideration hereinafter expressed forthwith surrender to the Lessor that portion of the said land containing 3 acres 2 roods, more or less, and being part Run 236, Mid Hawea and Lower Hawea Survey Districts and in consideration of such surrender the Lessor hereby covenants that she shall not require the Lessee to erect a boundary fence between the land so surrendered and the balance of the said land hereby leased provided however that in the event of the Lessor or her transferees, lessees or licensees erecting such boundary fence or any part thereof the Lessee shall thereupon become liable for a half share of the cost of maintaining any such fence so erected".

Original Lease Stock Limit:

5115 Sheep (*including not more than 1980 breeding ewes*).
60 Cattle (*breeding*).

Personal Stock Exemption:

Current on lease:

9500 Sheep (*including not more than 4200 breeding ewes*).
400 Cattle (*including not more than 170 breeding cows*).

Overall:

- 11200 Sheep (including not more than 5000 breeding ewes).
- 400 Cattle (including not more than 170 breeding cows).

Block limits - Breast Peak Block:

31 su consisting of dry ewes for a period of not more than 2 weeks with conservative cattle grazing to utilise rank growth on lower areas.

Right Branch Block:

Spelled from November to beginning of February.

Renewals and variations:

- 883727 Memorial renewing the term of the lease registered on 7 June 1995 (renewing the term for a further period of 33 years commencing on 1 July 1993 and fixing for the first 11 years the annual rent at \$7,200 calculated on a rental value of \$480,000).

Area adjustments:

	<i>Acres</i>	<i>Roods</i>	<i>Perches</i>	
Original lease area	28028	2	20.0	
Surrender Pt Run236	3	2	0.0	Memorial 250549
Surrender Gazette notice	34	2	19.6	Memorial 260510
Surrender Gazette notice	1.7374 ha			Memorial 962512.1 &. 2
Total area	11325.6176 ha			

The lease document and changes of area are in not in agreement with the area currently used in agent's files or the Computer Interest Register cover sheet. A 17.1645 ha error was identified by the Status Check.

A full area reconciliation sheet of area in the current lease is contained in the Status Check and no errors could be detected.

Registered interests:

Mortgages:

- 550376.4 Mortgage to The Rural Banking and Finances Corporation of New Zealand - 6 March 1981.
- 797987 Mortgage to (now) AMP Bank Limited - 13 February 1992.

Other Interests:

- 871467.1 Transfer creating easements 7 December 1994 (*8 convey water and 4 water storage easements over the whole lease legal area for legalisation of existing water supply pipes and tanks to a number of parcels of land from Grandview Creek*).
- 643830 Land Improvement Agreement Pursuant to Section 30A Soil Conservation and Rivers Control Act 1941 – 8 October 1985. (*Farm Plan Agreement containing no issues for tenure review - no permanent de-stocking or surrender of lands*).
- 976715.1 Certificate under Section 417 Resource Management Act 1991 – 14 October 1999 (*Water Race Right to use and maintain from Grandview Creek (north branch) in favour of Colin Clark who farms out on the flats towards Hawea*).
- 5076753.1 Certificate under Section 417 Resource Management Act 1991 – 29 August 2001 (*Water Race right to use and maintain from Grandview Creek in favour of Daryl Kerin who farms out on the flats below*).

No electricity agreement is registered on the lease.

No mining or prospecting licences are registered.

No Compensation Certificates are registered.

No recreation permits are currently issued affecting the lease.

(4) Summarise any Government programmes for the lease:

Three Otago Catchment Board farm plan programmes were carried out on the property between 1963 and 1990 with only one legal agreement registered on the lease document for the third stage programme started in 1985 (*still on lease document*).

The programmes plus four major additions involved extensive conservation fencing, cattle-proofing, temporary retirement fencing, offsite and onsite oversowing and top dressing. The temporary retirement was for 3 - 5 years of 2575 acres in the catchments of Grandview and Johns Creek. This was completed. The programme involved no permanent retirement, or agreement to surrender. What grazing controls required were incorporated in the block limitations in the personal exemption granted in 1985.

The programmes were successfully completed with positive results.

The term of maintenance of works (*10 years*) under the legal agreement has expired and agreement could be removed from the lease document.

The Farm Plans contain no issues that would affect tenure review.

No Rabbit and Land Management Plan was undertaken on the property.

(5) Summary of Land Status Report:

Copy attached as Schedule A.

5.1 The Pastoral Lease:

The Land Status Report confirms the Crown Land Status under the Land Act 1948 and Crown Pastoral Land Act 1998 subject to Pastoral Lease registered as CIR OTA2/1254.

It records five encumbrances on the lease being:

643830 Land Improvement Agreement pursuant to Section 30A Soil Conservation and Rivers Control Act 1941 (*Otago Catchment Board Farm Plan Agreement*).

871467.1 Creating easements to convey and store water (*joint easement for water scheme on flats below lease*).

976715.1 Section 417 Resource Management Act 1991 (*water race - Colin Clark*).

5076753.1 Mining Certificate (*water race - Daryn Kerin*).

Subject to Part IVA Conservation Act 1987 upon disposition.

These agree with the lease details section of this report.

The legal description is confirmed as that being used in this Due Diligence Report.

The Crown retains minerals ownership.

The area is confirmed as 11325.6176 ha. A full area reconciliation sheet is included.

The Status Check does not identify any recreation permits or DoC concessions on the lease.

No recorded mining interests noted.

DoC administered land adjoining the area was identified by a letter from their Christchurch office (*recognised in this report see Section 7 - details of neighbouring Crown or conservation land*).

Issues identified requiring possible future investigation at the Due Diligence stage were:

- (1) The incorrect area on OTA2/1254 was noted and the reconciliation of the area included. The correct area is 11325.6176 ha (*no comment required*).

- (2) Explanation is given as to why the legal description should be altered following the cancellation of SO 24540 in March 2000. The new appellation No 943781.1 should also be cancelled (*no comment required*).

5.2 Other Land:

A closed road through Run 236 is reported on.

The area is unknown (*subject to survey*).

The land was taken by New Zealand Gazette 1962 Page 463 for waterpower development (*Roxburgh Power Scheme - Lake Hawea Control*).

The minerals are owned by the Crown and there are no encumbrances.

Information from Treasury is that this area was offered to LINZ for disposal on 23 March 2000. To date LINZ has not responded to the offer. The intention appears to be that this would be incorporated into the lease.

(6) Review of topographical and cadastral data:

The topographical map shows no water races on any of the various blocks within the lease. None of the three water easements registered on the lease are marked.

Adjacent to the homestead the "Hawea Back Road" bounds the lease for a short distance to link up with Gladstone Road that passes through the lease to terminate at the lake settlement of Gladstone close by. Both these roads are gravel and appear fenced on their legal line.

From Gladstone the Timaru River Road travels around the lake margin to Timaru Creek mostly within the lease. This road is gravel with some minor fords and is fenced only in parts.

No other formed roads are shown affecting the property.

No National Grid or local supply electricity pylons cross the lease except for a short section to the homestead at the mouth of Johns Creek.

The only internal farm access up the lake face is behind the homestead and this links with a ridgeline track that follows the main ridge above Timaru Creek and the Grandview Ridge. Three tracks drop from these ridgeline tracks into the Breast Creek catchment to link up. A portion of the track on the back boundary enters the neighbouring property (*Forest Range*) for two short sections.

A no exit track is shown ascending up Grandview Creek for distance.

No transmission sites are evident within the lease boundary.

An airstrip is marked in Johns Creek.

The fenced boundaries appear to follow their legal line. It appears that the Timaru River boundary and parts of the Lake Hawea foreshore are unfenced.

"Stodys Hut" near the conservation area on the north-eastern boundary in the Timaru River is the only hut marked.

The Cadastral map shows marginal strips (*Section 24 (9) Conservation Act 1987*) exist on the full length of Breast Creek within the lease and for approximately half the length of both Grandview Creek and Johns Creek. The Timaru River on the northern boundary is known to have a marginal strip on it for its full length but is separated from the lease boundary by an unformed legal road along its length.

These are in agreement with the details of Conservation land.

One legal road is shown against the southern boundary to the top of the Grandview Range and the northern boundary for the full length against the Timaru River. No formed roads or tacks exist on these lines.

The legal road "Timaru Creek Road" is marked from Gladstone to the Timaru River following the lake shore. This appears to be on its correct legal line. The closed legal road is marked outside the lease.

Adjacent to the homestead the "Hawea Back Road" bounds the lease for a short distance to link up with Gladstone Road that passes through the lease to terminate at the lake settlement of Gladstone close by.

A short section of legal road (*Nook Road*) is marked linking the Hawea Back Road to the lease boundary at the mouth of Grandview Creek.

A second short section of legal road is marked linking the Hawea Back Road to the unformed legal road that ascends the southern boundary to the Grand View Range top.

The Proposed and Transitional Queenstown/Lakes and Central Otago District Scheme Plans have no sites marked or issues that would affect the tenure review process.

(6) Details of neighbouring Crown or Conservation land:

A conservation area (*G39063 - Hawea Conservation Area - Timaru Creek*) of native beech forest adjoins the lease on the north-eastern boundary in the Timaru River. This is part of the 8090 ha conservation area ex State Forest in the Timaru Creek catchment.

Marginal strips (*Section 24 (9) Conservation Act 1987*) exist on the full length of Breast Creek (*G40120*) within the lease and for approximately half the length of both Grandview Creek (*G401190* and *Johns Creek (G40118)*).

The Timaru River on the northern boundary has a marginal strip (*G39056*) on it for its full length but is separated from the lease boundary by a unformed legal road along its length.

A closed road (*area unknown - subject to survey*) through Run 236 is identified.

The land was taken by New Zealand Gazette 1962 Page 463 for waterpower development (*Roxburgh Power Scheme: Lake Hawea Control*). Information from Treasury is that this area was offered to LINZ for disposal on 23 March 2000. To date LINZ has not responded to the offer. The intention appears to be that this would be incorporated into the lease.

Three RAP areas have been identified by survey on the lease (*A7, B3, and B4, - Lindis Ecological District*) but these have no legal standing.

No other Crown land has been identified within or adjoining the lease.

(8) Summary of uncompleted actions or potential liabilities:

- 8.1 A road to Timaru Creek was closed by New Zealand Gazette 1962 Page 463 as part of the Water Power Development. Information from Treasury is that this area was offered to LINZ for disposal on 23 March 2000. To date LINZ has not responded to the offer. The intention appears to be that this would be incorporated into the lease.
- 8.2 The Status Check identifies that following the cancellation of SO 24540 in March 2000, the new Appellation No 943781.1 should also be cancelled.
- 8.3 The Status Check legal description differs from the CIR due to the cancellation of the above SO24540.
- 8.4 An error in the CIR cover sheet records Memorial 64380 as registered in 1995 whereas it was registered in 1985.
- 8.5 The Status Check area of the lease differs from that contained in the Computer Interest Register. The correct area is 11325.6176 ha.

The following issues are brought to your attention to note only:

- An undertaking was given by the CCL in 1999, as part of the due diligence process for Contact Energy taking over the operating easement on Lake Hawea, to negotiate further access agreements to the lake shore as part of the tenure review process (*folio 25 -see Attachment 2*).
- The lease boundary in the vicinity of the land withdrawn from the lease for crib sites (*Memorial 1250549*) is confusing mainly due to the diagram distortion attached to the memorial.

ATTACHMENTS:

- Schedule A. - Status Check.
- Attachment 1 - Recent Copy of Lease Document OTA2/1254.
- Attachment 2 - Undertaking by CCL to negotiate access.

SCHEDULE A:

Status Check.

DTZ NEW ZEALAND

Appendix A

This report has been prepared on the instruction of Land Information New Zealand in terms of the contract number 50268 dated September 2001 and is undertaken for the purposes of the Crown Pastoral Leases Act 1998.

LAND STATUS REPORT for LAKE HAWEA	[LIPS ref. 12550]
Property 1 of 2	

Land District	Otago
Legal Description	Part Run 236, Part Run 236A and Section 3 Block XV Lower Hawea Survey District.
Area	11,325.6166 hectares. 11,325.6176 ha P.A.A.
Status	Crown land subject to The Land Act 1948.
Instrument of lease	Balance CIR OT A2/1254.
Encumbrances	<p>Land Improvement Agreement pursuant to Section 30A Soil Conservation and Rivers Control Act 1941. No. 643830.</p> <p>Transfer No. 871467.1 creating easements to convey and store water.</p> <p>Certificate under Section 417 Resource Management Act 1991. No. 976715.1.</p> <p>Mining Certificate No. 5076753.1.</p> <p>Subject to Part IVA Conservation Act 1987.</p>
Mineral Ownership	Minerals remain with the Crown, as the land has never been alienated since its acquisition for settlement purposes from the former Maori owners under the Kemp Deed of Purchase (1848).
Statute	Land Act 1948 & Crown Pastoral Land Act 1998.

Data Correct as at	5 April 2002
[Certification Attached]	Yes

Prepared by	Murray Bradley 
Crown Accredited Agent	DTZ New Zealand

DTZ NEW ZEALAND

Appendix B

This land status report has been prepared on the instruction of Land Information New Zealand in terms of the contract number 50268 dated September 2001 and is undertaken for the purposes of the Crown Pastoral Leases Act 1998.

LAND STATUS REPORT for LAKE HAWEA				[LIPS ref.12550]
Property	1	of	2	

Land District	Otago
Legal Description	Part Run 236, Part Run 236A and Section 3 Block XV Lower Hawea Survey District.
Area	11,325.6166 hectares. <i>11,325.6176 ha PAB.</i>
Status	Crown Land subject to The Land Act 1948.
Instrument of lease	Balance CIR OT A2/1254.
Encumbrances	Land Improvement Agreement pursuant to Section 30A Soil Conservation and Rivers Control Act 1941. No. 643830 Transfer No. 871467.1 creating easements to convey and store water. Certificate under Section 417 Resource Management Act 1991. No. 976715.1. Mining Certificate No. 5076753.1. Subject to Part IVA Conservation Act 1987.
Statute	Land Act 1948 & Crown Pastoral Land Act 1998.

Data Correct as at	5 April 2002
[Certification Attached]	Yes

Prepared by	Murray Bradley <i>M Bradley</i>
Crown Accredited Agent	DTZ New Zealand

Certification:

Pursuant to section 11(1)(l) of the Survey Act 1986 and acting under delegated authority of the Surveyor-General pursuant to section 11 (2) of that act, I hereby certify that the land described above is; Crown Land subject to the Land Act 1948.

M H Warburton
.....

Date *28/4*/2002

Max Warburton, Chief Surveyor
Land Information New Zealand, Dunedin

LAKE HAWEA RESEARCH - Property 1 of 1

Notes : This information does not affect the status of the land but was identified as possibly requiring further investigation at the due diligence stage : See Crown Pastoral Standard 6 paragraph 6	(i) The area is recorded incorrectly on OT A2/1254 as 11,342.7821 hectares. The correct area is 11,325.6176 hectares. Please refer to attached area reconciliation (ii) As SO 24540 was cancelled on 20 March 2000, new appellation No. 943781.1 should be cancelled. Therefore, the correct legal description is Part Run 236, Part Run 236A and Section 3 Block XV Lower Hawea Survey District.
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LAND STATUS REPORT for LAKE HAWEA				[LIPS ref. 12550]
Property	1	of	2	
Research Data: <i>Some Items may be not applicable</i>				
Property	1	of	2	
SDI Print Obtained				Yes
NZMS 261 Ref				G39 and G40.
Local Authority				Queenstown Lakes District Council and Central Otago District Council.
Crown Acquisition Map				Kemp Deed of Purchase.
SO Plan				<p>SO 1179 (1909) – Defines Part Run 236 and Part Run 236A.</p> <p>SO 1180 (1909) – Defines Part Run 236 and Part Run 236A.</p> <p>SO 1181 (1909) – Defines Run 236A.</p> <p>SO 9238 (1941) – Defines Section 13 Block XIII Lower Hawea Survey District which was formerly Part Run 236A.</p> <p>SO 9299 (1941) – Defines land to be taken for road from Part Run 236.</p> <p>SO 12463 (1958) – Defines land to be taken for water power development from Runs 236 and 236A.</p> <p>SO 12918 – (1961) Defines land to be taken for road from Part Run 236 and Part Run 236A.</p> <p>SO 17173 (1971) – Defines Section 3 Block XV Lower Hawea Survey District, formerly part of Runs 236 and 236A.</p> <p>SO 24518 (1997) – Defines Land taken for the generation of electricity.</p> <p>SO 24540 (1998) – Defines Sections 1-6 being a subdivision of Parts Runs 236 and Part Section 1 Block XV Lower Hawea S.D. (This SO Plan was subsequently cancelled on 20 March 2000).</p>
Relevant Gazette Notices				N/A
CT Ref / Lease Ref				Balance CIR OT A2/1254.
Legalisation Cards				<p>SO 1179 and SO 1180 – The legalisation cards record that Part Run 236 is subject to the provisions of marginal strips pursuant to Section 24 of The Conservation Act 1987.</p> <p>SO 1181 – The legalisation card records that Part Run 236A is subject to the provisions of marginal</p>

	<p>strips pursuant to Section 24 of The Conservation Act 1987.</p> <p>SO 9238 – No legalisation card.</p> <p>SO 9299 – No legalisation card.</p> <p>SO 12463 – The legalisation card records land set apart for water power development for Runs 236 and 236A.</p> <p>SO 12918 – No legalisation card.</p> <p>SO 17173 – The legalisation card records gazette notice no's 385850 and 5008483.1.</p> <p>SO 24518 – No legalisation card.</p> <p>SO 24540 – No legalisation card.</p>
<p>CLR</p>	<p>The Crown Land Register records the following:</p> <p><u>1. Part Runs 236 and 236A</u></p> <p>(a) SO Plans: 1179, 1180, 1181, 9238, 9299, 12463, 12918 and 17173.</p> <p>(b) Certificate of Title No: A2/1254.</p> <p>(c) Area: 11,327.3550 hectares</p> <p>(d) Lease No: P286.</p> <p>(e) 2 acres, 2 roods, 20 perches was surrendered as at 30 June 1957 whilst 34 acres 2 roods 19.4 perches was taken for road under NZ Gazette 1963 page 877.</p> <p><u>2. Section 3 Block XV Lower Hawea Survey District</u> Area: 2.0993 hectares.</p>
<p>Allocation Maps (if applicable)</p>	<p>A check of the SOE/DOC/UCL Allocation Maps Schedules revealed no allocations within the boundaries of the Pastoral Lease.</p>
<p>VNZ Ref - if known</p> <p>Crown Grant Maps</p>	<p>Queenstown Lakes District Council : 29082-19700 Central Otago District Council: 28411-18000 The Crown Grant Map for the Lower Hawea Survey District identifies Runs 236 and 236A.</p>
<p>If subject land Marginal Strip:</p> <p>a) Type [Sec 24(9) or Sec 58]</p> <p>b) Date Created:</p> <p>c) Plan Reference:</p>	<p>(a) Section 24(9) and Section 24(F) of The Conservation Act 1987. (Lease renewed for 33 years from 1 July 1993).</p> <p>(b) 1 July 1993.</p> <p>(c) SO Plan Nos: 1179, 1180 and 1181.</p>

LAND STATUS REPORT for LAKE HAWEA				<i>[LIPS ref. 12550]</i>
Property	1	of	2	

Research – continued

Property	1	Of	2	
If Crown land - Check Irrigation Maps.				N/A
Mining Maps				There are no mining interests recorded within the boundaries of the Pastoral Lease in the National Mining Index.
If Road				
a) Is it created on a Block Plan – Section 43(1)(d) Transit NZ Act 1989				(a) Crown Grant and Section 110(a) Public Works Act 1928.
b) By Proc				(b) GN 260510, 261076 and 1944/473.
c) Plan No				(c) SO Plan Nos: 1179, 1181, 9299 and 12918.
Other Relevant Information				
a) Concessions - Advice from DOC or DTZ New Zealand .				(a) There are no concessions issued within the boundaries of the Run. The following marginal strips are within the lease and adjoining the lease. Conservation Unit nos G 40118, 119 and 120 and G 30056. There is also public conservation land adjoining the northern boundary of the lease and this is shown as G 39063.
b) Subject to any provisions of the Ngai Tahu Claims Settlement Act 1998.				(b) Subject to Part 9 of The Ngai Tahu Claims Settlement Act 1998.
c) Mineral Ownership				(c) Mines and minerals are owned by the Crown because the land has never been alienated since its acquisition for settlement purposes from the former Maori owners under the Kemp Deed of Purchase (1848). Contained in (provide evidence): CT No's 336/78 and 336/79 being the earliest leases issued after the establishment of Runs in the Otago Land District.
(d) Other Information				(d) (i) The area is recorded incorrectly on OT A2/1254 as 11,342.7821 hectares. The correct area is 11,325.6176 hectares. Please refer to the attached area reconciliation. (ii) As SO 24540 was cancelled on the 20 March 2000, new appellation number 943781.1 should be cancelled. Therefore, the correct legal description is Part 236, Part Run 236A and Section 3 Block XV Lower Hawea Survey District.

LAKE HAWEA PASTORAL LEASE
RECONCILIATION OF AREA IN LEASE

	<u>Acres</u>	<u>Roods</u>	<u>Perches</u>
Run 236 CT 336/78 (1/3/1925)	23,780	1	12
Less, Pursuant to Section 92 of The Land Act 1924 the area was reduced was on 17 January 1927 by:		<u>1</u>	<u>10</u>
	23,780 .	0 .	2
Less, Pursuant to Section 92 of The Land Act 1924 the area was reduced on 28 July 1927 by:	<u>14</u> .	<u>0</u> .	<u>34</u>
	23,764 .	3 .	8
Less, Pursuant to Section 92 of The Land Act 1924, the area was reduced on 1 November 1927 by:	<u>10</u> .	<u>0</u> .	<u>0</u>
	23,754 .	3 .	8
Less, land taken for road under Gazette Notice 1944 Page 473 (SO 9299)	<u>4</u> .	<u>3</u> .	<u>4</u>
	23,750 .	0 .	4
Less, Proclamation No. 7503 taking land for the development of water power (Roxburgh Power Scheme: Lake Hawea control). 10.3.1061	<u>30</u> .	<u>2</u> .	<u>31</u>
	23,719 .	1 .	13
Less, Proclamation No. 230822 setting apart land for the development of water power (Roxburgh Power Scheme : Lake Hawea Control). 10. 3.1961	<u>2</u> .	<u>3</u> .	<u>0</u>
	23,716 .	2 .	13
Less, Proclamation No. 237629 declaring roads closed 7. 9.1961.	<u>170</u> .	<u>0</u> .	<u>0</u>
	23,546 .	2 .	13

LAKE HAWEA PASTORAL LEASE
RECONCILIATION OF AREA IN LEASE

	<u>Acres</u>	<u>Roods</u>	<u>Perches</u>
Run 236A CT 336/79 (1. 3.1925)	4,489 .	2 .	27
Less, Pursuant to Section 92 of Land Act 1924, the area was reduced on 17 January 1927 by	<u>3 .</u>	<u>0 .</u>	<u>.00</u>
	4,486 .	2 .	27
Less, surrender of part of lease. No X20303. 3.10.1958.	<u>2 .</u>	<u>2 .</u>	<u>20</u>
	4,484 .	0 .	07
Less, Proclamation No. 230822 setting apart land for the development of water power (Roxburgh Power Scheme: Lake Hawea control). 10.3.1961.	<u>2 .</u>	<u>0 .</u>	<u>0</u>
	4,482 .	0 .	07
Plus Run 236	<u>23,546 .</u>	<u>2 .</u>	<u>13</u>
	28,028 .	2 .	20

	<u>Acres</u>	<u>Roods</u>	<u>Perches</u>	
1. 3.1961 CT No's 336/78 and 336/79 cancelled and new CT No. 451/87 issued for both titles.	28,028 .	2 .	20	
Less, Surrender No. 250549 as to part Run 236. 1. 3.1960.	<u>3 .</u>	<u>2 .</u>	<u>0</u>	
	28,025 .	0 .	20	
Less, Gazette Notice No. 260510 setting apart land for road.	<u>34 .</u>	<u>2 .</u>	<u>19.4</u>	
	27,990 .	2 .	00.6	
21. 9.1962 CT No. 451/187 cancelled and new CT No. A2/1254 issued	27,990 .	2 .	00.6	11,327.3550 Ha
26. 3.1971. New Appellation No. 368542 whereby part of Part Runs 236 and 236A (2 acres 3 Roods, 30 Perches) is now known as Section 3 Block XV Lower Hawea S.D. (SO 17173).				
18. 2.1998. New Appellation No. 943781.1 whereby part of the land is known as Sections 1, 4, 5 and 6. SO 24540				
Less, Gazette Notice No's 962512.1 and 962512.2 acquiring part of the leasehold land and setting it apart for the generation of electricity. 17.2.1999.1.				<u>1.7374 Ha</u>
				11,325.6176 Ha

Correct Legal Description

SO 24540 was cancelled on 20 March 2000. Therefore, New Appellation No. 943781.1 should be cancelled. Consequently, the new legal description should be Part Run 236, Part Run 236A, Section 3, Block XV, Lower Hawea Survey District.

CONVERSION TO HECTARES

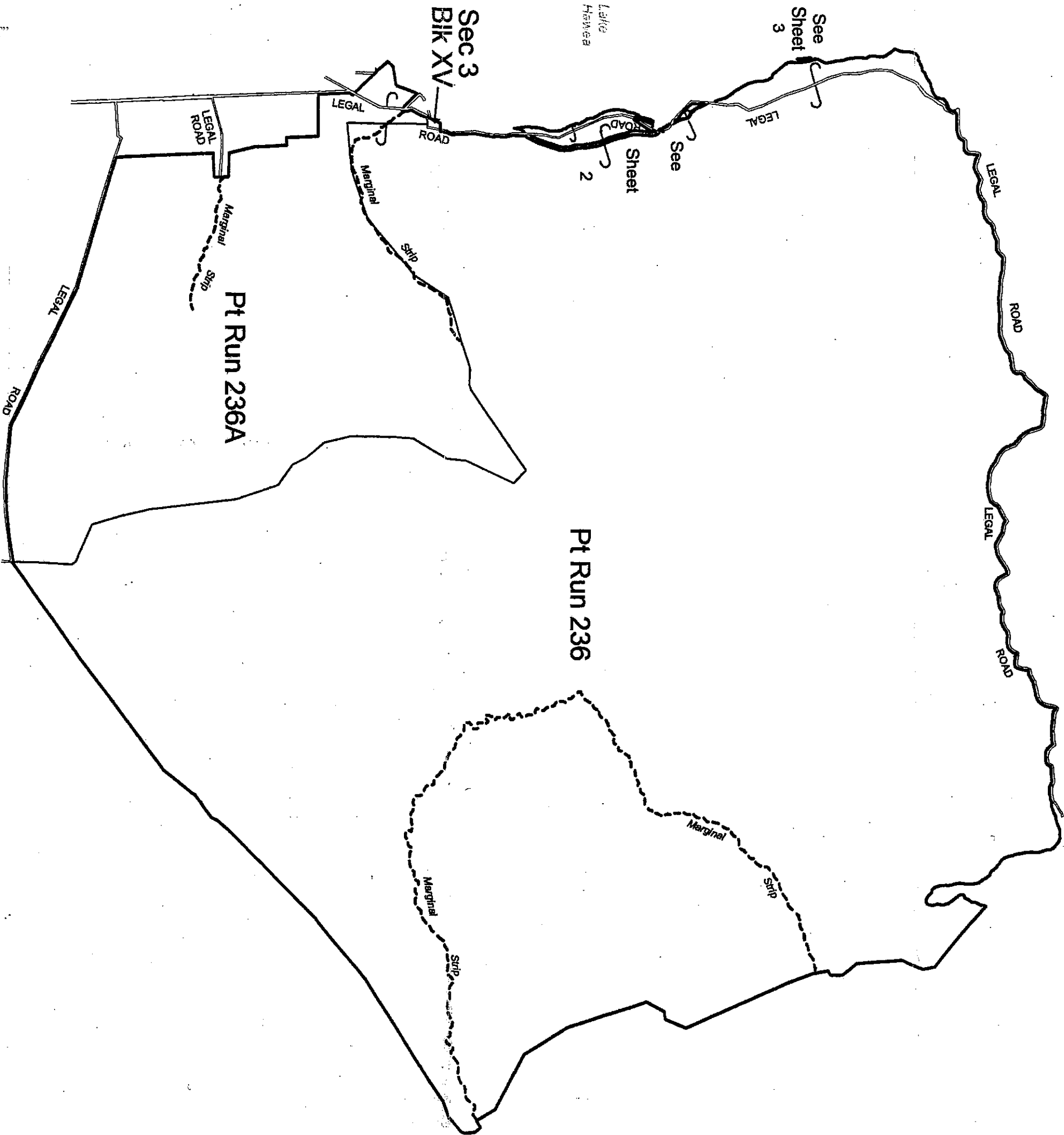
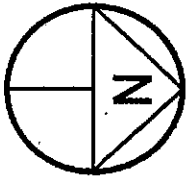
27,990 Acres	x	.4046856	=	11,327.15111 Ha
2 Roods			=	.20237 Ha
.6 Perches			=	<u>.00152 Ha</u>
				11,327.35500 Ha

LEGAL DESCRIPTION AND AREA AS RECORDED IN PRESENT LEASE

Part Run 236, Part Run 236A, Section 3, Block XV Lower Hutt Survey District and Section 1, Section 4, Section 5 and Section 6, SO Plan 24540, CT No. A2/1254. (21. 9.1962).

Area As Recorded on CT No. A2/1254	11,342.7821 Ha
Area As Per Reconciliation	11,325.6176 Ha
	<hr/>
	17.1645 Ha

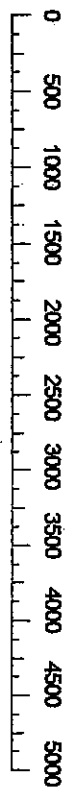
The area as recorded in CT No. A2/1254 is incorrect and should be reduced by 17.1645 hectares.



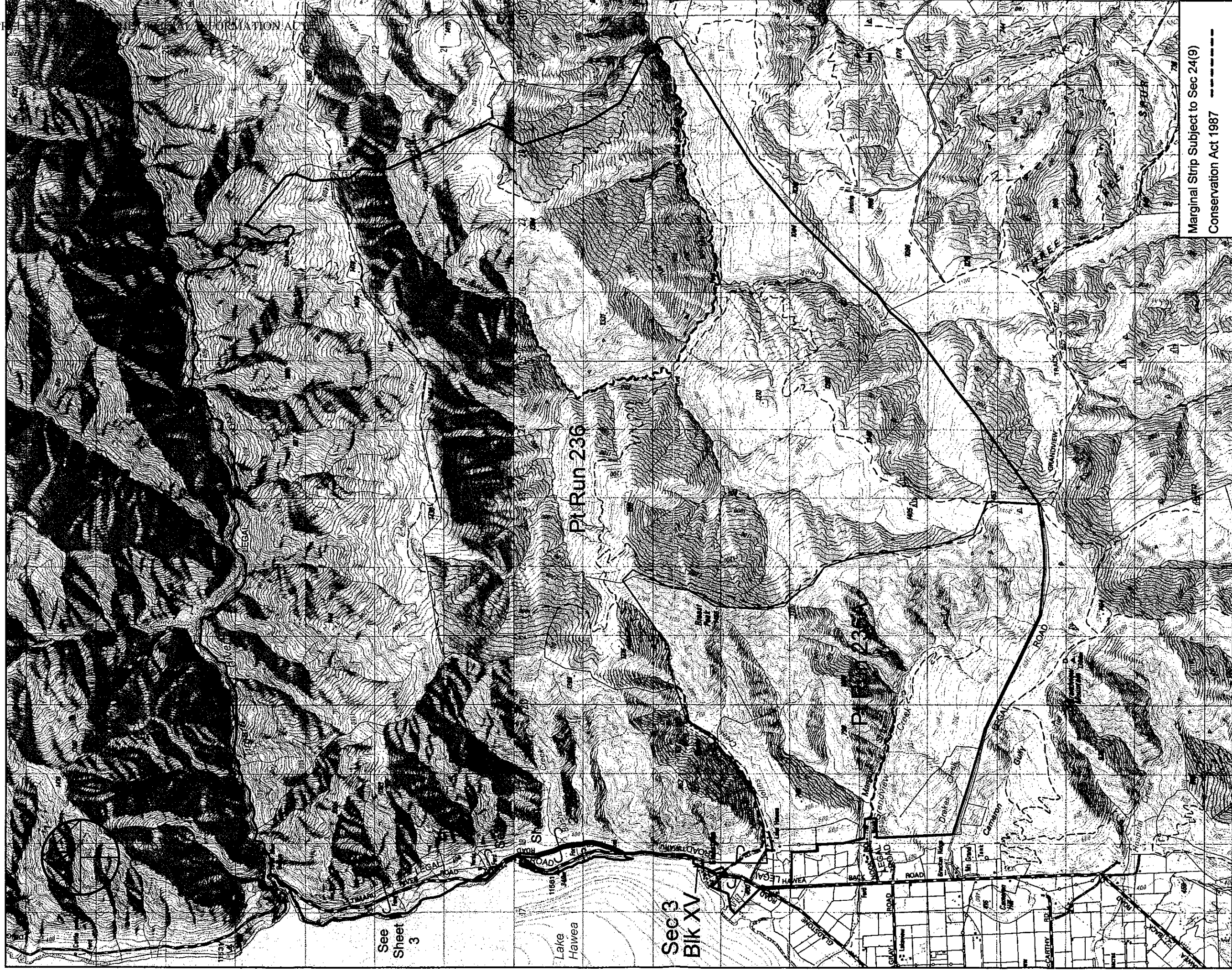
Marginal Strip Subject to Sec 24(9)
 Conservation Act 1987 -----

Lake Hawea

Scale 1:50000



Version	1	2	3	4	5
Olago Land District					
Topographic map 260 - G39, G40					
Sheet 1 of 3					
Date: 03/05/02					



Marginal Strip Subject to Sec 24(9)
Conservation Act 1987

Lake Hawea

Scale 1:50000



Version	1	2	3	4	5
Otago Land District	Sheet 1 of 3				
Topographic map 260 - G39, G40	Date: 03/05/02				

ANDERSEN & ASSOCIATES
REGISTERED SURVEYORS

PO Box 13-343
Christchurch
Ph: 03 379 9901

See Sheet 3

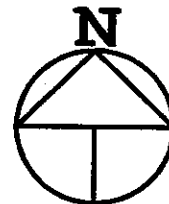
Lake Hawea

Sec 3
BIK XV

Pt Run 236

Pt Run 236

Marginal Strip Subject to Sec 24(9)
Conservation Act 1987



Closed Road Blk XV
Lower Hawea SD
SO 12463
(Area unknown subject to survey)
(See Report 2
of 2)

Pt Run 236
'Lake Hawea'

Pt Run 236
'Lake Hawea'

Lake Hawea

TIMARU

CREEK

ROAD

Closed Road Blk XV
Lower Hawea SD
SO 12463
(Area unknown subject to survey)
(See Report 2
of 2)

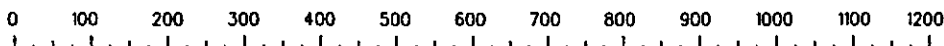
Marginal Strip Subject to Sec 24(9)
Conservation Act 1987 - - - - -

Version	1	2	3	4	5
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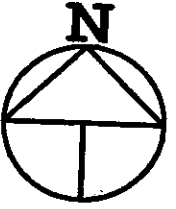
Otago Land District Sheet 2 of 3
Topographic Map 260 - G39, G40 Date 06/06/02

Lake Hawea

Scale 1:10000



PO Box 13-343
Christchurch
Ph: 03 379 9901



Pt Run 236
'Lake Hawea'

Lake Hawea

Closed Road Blk XIV
Mid Hawea SD

(Area unknown subject to survey)

SO 12463

(See Report 2
of 2)

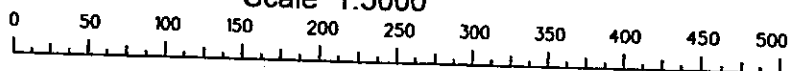
TIMARU
CREEK
ROAD

Marginal Strip Subject to Sec 24(9)
Conservation Act 1987 -----

Version	1	2	3	4	5
Otago Land District			Sheet 3 of 3		
Topographic Map 260 - G39, G40			Date 03/05/02		

Lake Hawea

Scale 1:5000



ATTACHMENT 1:

Recent Copy of Lease Document OTA2/1254.



COMPUTER INTEREST REGISTER UNDER LAND TRANSFER ACT 1952



R. W. Muir
Registrar-General
of Land

Search Copy

Identifier **OTA2/1254**
Land Registration District **Otago**
Date Registered 21 September 1962 09:35 am

Part-Cancelled

Prior References

OT336/78 OT336/79

Type	Lease under s83 Land Act 1948	Instrument	L P286
Area	11342.7821 hectares more or less	Term	33 years commencing on the 1st day of July 1960 and renewed for a further period of 33 years commencing on 1.7.1993.

Legal Description Part Run 236, Part Run 236A, Section 3
Block XV Lower Hawea Survey District
and Section 1, Section 4, Section 5 and
Section 6 Survey Office Plan 24540

Proprietors

Lake Hawea Station Limited

Interests

- ✓ 250549 Surrender of Lease as to part Run 236 (3ac - 2r - 00p = 1.4164 ha) coloured red hereon as from 1.3.1960 - 21.9.1962 at 9.40 am
- ✓ 261076 Gazette Notice declaring that the leasehold estate over parts of the of the within land (34acres - 2roods - 19.4perches = 14.0107ha.) is taken for the purposes of a road from and after the 1st July 1963 - 1.8.1963 at 2.45 pm
- 550376.4 Mortgage to The Rural Banking and Finance Corporation of New Zealand - 6.3.1981 at 10.49 am
- 556257.1 Variation of Mortgage 550376.4 - 18.6.1981 at 2.14 pm
- ✓ // 643830 Land Improvement Agreement pursuant to Section 30A Soil Conservation and Rivers Control Act 1941 - 8.10.1995 at 9.21 am
- 797987.2 Mortgage to (now) AMP Bank Limited - 13.2.1992 at 9:27 am
- 797987.3 Memorandum of Priority making Mortgages 797987.2 and 550376.3 and 550376.4 as first, second and third mortgages respectively - 13.2.1992 at 9.27 am
- ✓ // 871467.1 Transfer creating the following easements - 7.12.1994 at 9.27 am

Type	Servient Tenement	Easement Area	Dominant Tenement	Statutory Restriction
Convey water	Part Run 236, Part Run 236A, Section 3 Block XV Lower Hawea Survey District and Section 1, Section 4, Section 5 and Section 6 Survey Office Plan 24540 - herein	A-B Transfer 871467.1	Section 16 Block XIII Lower Hawea Survey District - CT OT6A/980	

Identifier

OTA2/1254

Convey water	Part Run 236, Part Run 236A, Section 3 Block XV Lower Hawea Survey District and Section 1, Section 4, Section 5 and Section 6 Survey Office Plan 24540 - herein	A-B Transfer 871467.1	Section 1 Block XIII Lower Hawea Survey District - CT OT10B/1327
Convey water	Part Run 236A, Part Run 236, Section 3 Block XV Lower Hawea Survey District and Section 1, Section 4, Section 5 and Section 6 Survey Office Plan 24540 - herein	B-C Transfer 871467.1	Section 16 Block XIII Lower Hawea Survey District - CT OT6A/980
Convey water	Part Run 236A, Part Run 236, Section 3 Block XV Lower Hawea Survey District and Section 1, Section 4, Section 5 and Section 6 Survey Office Plan 24540 - herein	B-C Transfer 871467.1	Section 43, Section 44, Section 45, Section 46, Section 47, Section 48 and Section 49 Block I Survey District Lower Hawea - CT OT66/75
Store water	Part Run 236A, Part Run 236, Section 3 Block XV Lower Hawea Survey District and Section 1, Section 4, Section 5 and Section 6 Survey Office Plan 24540 - herein	B Transfer 871467.1	Section 1 Block XIII Lower Hawea Survey District - CT OT10B/1327
Store water	Part Run 236A, Part Run 236, Section 3 Block XV Lower Hawea Survey District and Section 1, Section 4, Section 5 and Section 6 Survey Office Plan 24540 - herein	B Transfer 871467.1	Section 43, Section 44, Section 45, Section 46, Section 47, Section 48 and Section 49 Block I Lower Hawea Survey District - CT OT66/75
Convey water	Part Run 236A, Part Run 236, Section 3 Block XV Lower Hawea Survey District and Section 1, Section 4, Section 5 and Section 6 Survey Office Plan 24540 - herein	B-C Transfer 871467.1	Section 1 Block XIII Lower Hawea Survey District - CT OT10B/1327
Store water	Part Run 236A, Part Run 236, Section 3 Block XV Lower Hawea Survey District and Section 1, Section 4, Section 5 and Section 6 Survey Office Plan 24540 - herein	B Transfer 871467.1	Section 17 Block XIII Lower Hawea Survey District - CT OT11A/1213

Identifier

OTA2/1254

Store water	Part Run 236A, Part Run 236, Section 3 Block XV Lower Hawea Survey District and Section 1, Section 4, Section 5 and Section 6 Survey Office Plan 24540 - herein	B Transfer 871467.1	Section 16 Block XIII Lower Hawea Survey District - CT OT6A/980
Convey water	Part Run 236, Part Run 236A, Section 3 Block XV Lower Hawea Survey District and Section 1, Section 4, Section 5 and Section 6 Survey Office Plan 24540 - herein	A-B Transfer 871467.1	Section 17 Block XIII Lower Hawea Survey District - CT OT11A/1213
Convey water	Part Run 236A, Part Run 236, Section 3 Block XV Lower Hawea Survey District and Section 1, Section 4, Section 5 and Section 6 Survey Office Plan 24540 - herein	B-C Transfer 871467.1	Section 17 Block XIII Lower Hawea Survey District - CT OT11A/1213
Convey water	Part Run 236, Part Run 236A, Section 3 Block XV Lower Hawea Survey District and Section 1, Section 4, Section 5 and Section 6 Survey Office Plan 24540 - herein	A-B Transfer 871467.1	Section 43, Section 44, Section 45, Section 46, Section 47, Section 48 and Section 49 Block I Lower Hawea Survey District - CT OT66/75

- ✓ 883727 Renewal of Crown Lease, renewing the term of the within lease for a further period of 33 years commencing on the 17.1993 and fixing (for the first 11 years) the annual rent of \$7200.00 calculated on a rental value of \$480,000.00 - 7.6.1995 at 10.27 am
- 962512.1 Gazette Notice (1999 p440) acquiring part of the within leasehold estate marked A on SO Plan 24518 (1.7374ha.) for the generation of electricity and shall vest in the Crown - 17.2.1999 at 2.45 pm
- 962512.2 Gazette Notice (1999 p440) declaring part of the within land marked A on SO Plan 24518 (1.7374ha.) to be set apart for the generation of electricity and to remain vested in the Crown - 17.2.1999 at 2.45 pm
- ✓ 976715.1 Certificate under Section 417 Resource Management Act 1991 - 14.10.1999 at 10.21 am
- 5007890.4 Mortgage to ASB Bank Limited - 25.8.2000 at 1:11 pm
- ✓ U 5076753.1 Mining Certificate No's 40P & 47P, Pembroke Registry pursuant to Section 417 Resource Management Act 1991 to Daryl Stephen Kerin - 29.8.2001 at 11:21 am

TRANSFER ACT

Issued as a Renewal of (or in-Exchange for) Lease

registered in Vol. 336 fol. 78
336 79

NEW ZEALAND

OTAGO
LAND DISTRICT

Entered in the Register-book, Vol. 451 fol. 87

REGISTER

1962, at 9:35 o'clock
M. J. Carr
Assistant Land Registrar



Image Quality due to Condition of Original

Pastoral Lease of Pastoral Land under the Land Act, 1948

No. P. 286

A2
Folio 1254

This Deed, made the first day of March, one thousand nine hundred and sixty-two, between His Majesty the Queen (who, with her heirs and successors, is hereinafter referred to as "the Lessor"), of the one part, and THE STATION LIMITED a duly incorporated company having its Registered Office at Dunedin (who, with her executors, administrators and permitted assigns, is hereinafter referred to as "the Lessee"), of the other part, WITNESSETH that, in consideration of the rent hereinafter recited, and of the covenants, conditions, and agreements herein contained or implied and on the part of the Lessee to be paid, observed, and performed, the Lessor doth hereby demise and lease unto the Lessee ALL THAT piece or parcel of land containing by admeasurement 2.028 acres 2 rooks and 20 perches, a little more or less, situated in the Land District of Otago, and being Part Lots 236 and 236A Mid Havelock and Lower Havelock Survey Districts

See Diagram on Separate Sheet

(hereinafter referred to as "the said land"), as the same is more particularly delineated in the plan drawn hereon and therein coloured red in outline; together with the rights, easements, and appurtenances thereto belonging. TO HOLD the said premises intended to be hereby demised unto the Lessee for the term of thirty-three years, commencing on the first day of July one thousand nine hundred and sixty-two, together with the period between the date of this lease and the aforesaid first day of July, one thousand nine hundred and sixty-two. Yielding and paying therefor during the said term unto the Department of Lands and Survey at the Principal Land Office for the said Land District of Otago the clear annual rent of Three hundred and twenty pounds (£320. - -) payable without demand by equal half-yearly payments in advance on the 1st day of January and the 1st day of July in each and every year during the said term, and also paying in respect of the improvements specified in the Schedule hereto the sum of (£) by a deposit of (£) (the receipt of which sum is hereby acknowledged) and thereafter by (£) half-yearly instalments of pounds shillings and pence (£) on the 1st day of January and 1st day of July in each year in the same manner as now.

AND the Lessee doth hereby covenant with the Lessor as follows, that is to say:-

1. THAT the Lessee will fully and punctually pay the rent hereinafter reserved at the times and in the manner hereinafter named in this behalf; and also will pay and discharge all rates, taxes, assessments, and outgoings whatsoever that now are or hereafter may be assessed, levied, or payable in respect of the said land or any part or parts thereof during the said term.
2. THAT the Lessee will within one year after the date of this lease take up his residence on the said land, and thereafter throughout the term of the lease will reside continuously on the said land.
3. THAT the Lessee will hold and use the said land here for his own use and benefit and will not transfer, assign, sublet, mortgage, charge, or part with possession of the said land or any part thereof without the previous approval of the Land Settlement Board: Provided that such approval will not be necessary in the case of a mortgage to the Crown or to a Department of State.
4. THAT the Lessee will at all times farm the said land diligently and in a husbandlike manner according to the rules of good husbandry and will not in any way commit waste.
5. THAT the Lessee will throughout the term of his lease to the satisfaction of the Commissioner of Crown Lands for the Land District of Otago (hereinafter referred to as "the Commissioner") cut and trim all fire fences and hedges, clear and keep clear the said land of all noxious weeds, and will comply strictly with the provisions of the Noxious Weeds Act, 1908: 1950.
6. THAT the Lessee will keep the said land free from wild animals, rabbits, and other vermin, and generally comply with the provisions of the Rabbit-Nuisance Act, 1908: 1955.
7. THAT the Lessee will clean and clear from weeds and keep open all drains, ditches, and watercourses upon the said land, including any drains or ditches which may be constructed by the Commissioner after the commencement of the term of the lease; and will not at any time without the prior consent of the Commissioner alter the channel of any such creek or watercourse or stop or divert the water flowing therein.
8. THAT the Lessee will at all times during the said term repair and maintain and keep in good substantial repair, order, and condition all improvements belonging to the Crown (including those specified in the Schedule hereto which are being purchased by the Lessee) now or hereafter erected on the said land, and will not, without the prior written consent of the Commissioner, pull down or remove them or any part of them.
9. THAT the Lessee will insure all buildings belonging to the Crown (including those specified in the Schedule hereto which are being purchased by the Lessee) now or hereafter erected on the said land to their full insurable value in the name of the Commissioner in some insurance office approved by the Commissioner and will pay all premiums falling due under every such insurance policy and deposit with the Commissioner every such policy end, not later than the first day of the month in which any such premium becomes payable, the receipt for that premium.
10. THAT the Lessee will not throughout the term of the lease without the prior consent of the Commissioner, which consent may be given on such terms and conditions (including the payment of royalty) as the Commissioner thinks fit, fell, sell, or remove any timber, tree, or bush growing, standing, or lying on the said land, and that he will throughout the term of the lease prevent the destruction of any such timber, tree, or bush unless the Commissioner otherwise approves: Provided that the consent of the Commissioner as aforesaid shall not be necessary where any such timber or tree is required for any agricultural, pastoral, household, road-making, or building purpose on the said land nor where the timber or tree has been planted by the Lessee.
11. THAT the Lessee shall not, except for the purpose of complying with any of the provisions of the Noxious Weeds Act, 1908, burn any timber, brush, fern, or grass on the said land, nor permit any timber, brush, fern, or grass on the said land to be burned, unless in either case he shall have obtained the prior consent in writing of the Commissioner, which consent may be given subject to such terms and conditions as the Commissioner may deem necessary.
12. THAT officers and employees of the Department of Internal Affairs shall at all times have a right of ingress, egress, and regress over the land comprised in this lease for the purpose of determining whether such land or any adjoining land is infested with deer, wild goats, wild pigs, opossums, or other animals which the said Department is charged with the duty of exterminating or controlling, or for the purpose of destroying any such animals: Provided that such officers and employees in the performance of the said duties shall at all times avoid causing disturbance of the Lessee's stock.
13. See back hereof.

AND it is hereby agreed and declared by and between the Lessor and the Lessee:-

- (a) THAT the Lessee shall have the exclusive right of pasturage over the said land, but shall have no right to the soil.
- (b) THAT the Lessee shall have no right, title, or claim whatsoever to any minerals (within the meaning of the Land Act, 1948) on or under the surface of the soil, of the said land, and all such minerals are reserved to His Majesty together with a free right of way over the said land in favour of the Commissioner or of any person authorized by him and of all persons lawfully engaged in the working, extraction, or removal of any mineral on or under the surface of the said land or any adjacent land of the Crown, subject to the payment to the Lessee of compensation for all damage done to improvements on the said land belonging to the Lessee in the working, extraction, or removal of any such mineral: Provided that there shall be no right of way over, or right to work, extract, or remove any mineral upon any part of the said land which is for the time being under crop or used or situated within the radius of a yard, garden, orchard, vineyard, nursery, or plantation, or within 100 yards of any building: dwellinghouse: Provided also that the Lessee may, with the prior consent in writing of the Commissioner, which consent may be given subject to such conditions as the Commissioner thinks fit, use any such minerals for any agricultural, pastoral, household, road-making, or building purpose on the said land, but not otherwise.
- (c) THAT upon the expiration by effluxion of time of the term hereby granted and thereafter at the expiration of each succeeding term to be granted to the Lessee the outgoing Lessee shall have a right to obtain, in accordance with the provisions of section 68 (5) of the Land Act, 1948, a new lease of the land hereby leased at a rent to be determined in the manner prescribed by Part VIII of the said Act for a term of thirty-three years computed from the expiration of the term hereby granted and subject to the same covenants and conditions as this lease, including this present provision for the renewal thereof and all provisions ancillary or in relation thereto:

A2
Folio 1254
Vol. 336

- (d) THAT the Lessee shall have no right of acquiring the fee-simple of the said land.
- (e) THAT the Lessee may, with the prior consent in writing of the Commissioner given subject to such conditions as the Commissioner may deem necessary:-
- (i) Cultivate any portion of the said land for the purpose of growing winter food for the stock depastured thereon;
 - (ii) Crop such area of the said land as is sufficient for the use of himself and family and his employees;
 - (iii) Plough and sow in grass any portion of the said land;
 - (iv) Clear any portion of the said land by felling and burning bush or scrub and sow the land so cleared in grass;
 - (v) Surface sow in grass any portion of the said land;

Provided that the Lessee shall, on the termination of the lease, leave the whole of the area that has been ploughed or cultivated properly laid down in good permanent clovers and grasses to the satisfaction of the Commissioner.

(f) THAT the Lessee shall exercise due care in stocking the said land and shall not overstock; and for the purpose of this clause it is hereby mutually declared and agreed between the Land Settlement Board and the Lessee that the number of sheep to be depastured on the said land during the winter months shall not, without the prior consent of the Commissioner, exceed sheep on a basis of a count of one for every acre and one and a half for breeding ewes.

(g) THAT if the Lessee shall leave New Zealand or abandon the said land or if he cannot be found or if he shall neglect or fail or refuse to comply with the covenants and conditions herein expressed or implied to the satisfaction of the Land Settlement Board or the Commissioner, as the case may be, or make default for not less than two months in the payment of rent, water levy, or other payments due to the Lessor, then the Land Settlement Board may, subject to the provisions of section 116 of the Land Act, 1948, declare this lease to be forfeit, and that without discharging or relieving the Lessee from liability for rent due or accruing due or for any prior breach of any covenant or condition of the lease.

(h) THAT these presents are intended to take effect as a pastoral lease under the Land Act, 1948, and the provisions of the said Act and of the regulations made thereunder applicable to such leases shall be binding in all respects upon the parties hereto in the same manner as if such provisions had been fully set out herein.

SCHEDULE

IMPROVEMENTS BELONGING TO THE CROWN AND BEING PERFORMED BY THE LESSEE. Nil

(1) The Lessee for the consideration hereinafter expressed forthwith surrendered to the Lessor that portion of the said land containing 5 acres 2 rods more or less and being part Run 236 Mill Haven and Lower Hawea Survey Districts and in consideration of such surrender the Lessor hereby covenants that the Lessee shall not be called upon to erect or to contribute towards the cost of erection of any dividing or boundary fence between the land so surrendered and any land adjoining thereto the property of or occupied by the Lessee PROVIDED HOWEVER that in the event of the Lessor or his assigns, Lessees or Licensees or the Lessor erecting such boundary fence or any part thereof the Lessee shall nevertheless remain liable to contribute to the cost of maintaining any such fence so erected.

In witness whereof the Commissioner of Crown Lands for the Land District of Otago, and these presents have also been executed by the said Lessee.

Otago, on behalf of the Lessor, hath hereunto set his

Signed by the said Commissioner, on behalf of the Lessor, in the presence of:-

Witness: _____
Occupation: _____
Address: _____

Signed by the above-named as Lessee, in the presence of:-

Witness: _____
Occupation: _____
Address: _____

[Signature]
Deputy Commissioner of Crown Lands.

Lessee.

The Clause hereinbefore referred to:

13. THAT without derogating from or restricting the covenants contained in clause four hereof and on the part of the Lessee to be performed or complied with the Lessee will not at any time during the said term depasture on the said land more than 515 sheep which number shall not include more than 1980 breeding ewes nor more than 60 breeding cattle PROVIDED HOWEVER that the Lessee may with the prior written consent of the Board carry such additional stock on such terms and conditions as may be therein specified subject nevertheless to the right of the Board to revoke or vary such consent at any time.

The Common Seal of Lake Hawea Station Limited was hereunto affixed in the presence of:

[Signature]
Deputy Commissioner of Crown Lands.



[Signature]
[Signature]

DISCHARGED 12/1/1994

Mortgage 177172 to *[Signature]* Rowley - 3.10.1955 at 120'c.
250549 Surrender as to part Run 236 (2acres 2 rods) coloured red hereon as from 1.3.1960 - 21.9.1962 at 9.40ax (with consent of Mortgage under Mortgage 177172).

368542 part of part Runs 236 and 236A (2a 3r 30p) is now known as Section 3 Block XV Lower Hawea Survey District.

187 260946 Gazette Notice Declaring that the household estate now parts of the within land (Dna 2a, 1948) is hereby taken for the purposes of a road from and after the 1st July 1963 registered 1-8-1963 at 3.25p.
115 260510 Gazette Notice declaring that the land in Gazette Notice No. 260946 coloured red on plan hereunto be set apart for road from and after the 1st July 1963 registered 14-7-1963 at 5pm.

A.L.R.
382219 Mortgage to The Trustees Executors and Agency Company of New Zealand Limited 24.2.1972 at 12.60ax

382220 Memorandum of Priority ranking Mortgage 382219 as a first Mortgage and Mortgage 177172 as a second Mortgage -24.2.1972 at 12.23 pm

523819 Variation of Mortgage 382219 - 2.10.1979 at 2.11 pm

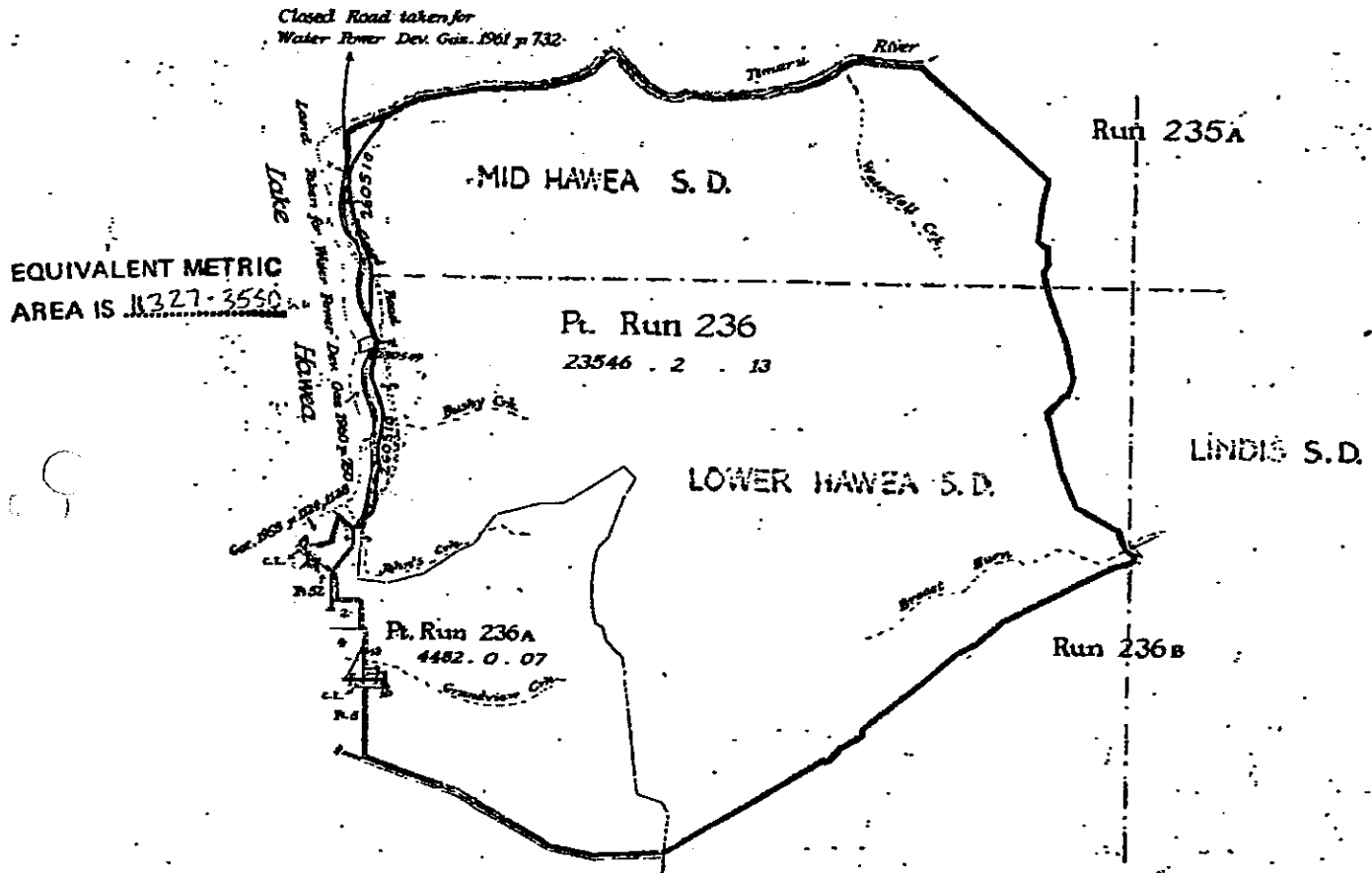
CERTIFIED a true copy of C.T. 45/187 except as to colour and scale (Sheet of two sheets see sheet 2) *[Signature]* A.L.R.

A.L.R.

CERTIFIED a true copy of C.T. 451/87
 except as to colour and scale (Sheet 2.
 of two sheets for memorials
 see Sheet 1) *[Signature]* A.L.R.

A2
 Folio 1254

REGISTER



Scale: 1 Mile to an inch

Total Area: 28028 . 2 . 20
 3 . 2 . 00 250549
 28025 . 0 . 20 . 1)
 34 . 2 . 19 . 4 260510
 27990 . 2 . 00 . 6 . 0

S.O. 1180, 1179, 12493 &
 12463

962512.1 Gazette Notice (1999
 p440) acquiring part of the
 within leasehold estate land
 marked A on SO Plan 24518
 (1.7374ha) for the generation
 of electricity and shall vest
 in the Crown

976715.1 Certificate under
 Section 417 Resource Management
 Act 1991
 14.10.1999 at 10.21

[Signature]
 for RGL

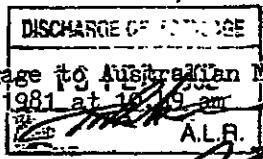
962512.2 Gazette Notice (1999
 p440) declaring part of the
 within land marked A on SO Plan
 24518 (1.7374ha) to be set
 apart for the generation of
 electricity and to remain
 vested in the Crown
 17.2.1999 at 2.45

[Signature]
 for RGL

Vol. A2
 Folio 1254

G.T. A2/1254

4.



550376/2 Mortgage to Australian Mutual Provident Society - 6.3.1981 at 10.49 am

797987/2 Mortgage to Australian Mutual Provident Society - 13.2.1992 at 9.27am.

A.L.R.

A.L.R.

550376/3 Mortgage to The Rural Banking and Finance Corporation of New Zealand - 6.3.1981 at 10.49 am

797987/3 Memorandum of Priority ranking Mortgage 797987/2 as a first mortgage, Mortgage 550376/3 as a second mortgage, Mortgage 550376/4 as a third mortgage, Mortgage 783303 as a fourth mortgage and Mortgage 177172 as a fifth mortgage - 13.2.1992 at 9.27am.

A.L.R.

A.L.R.

550376/4 Mortgage to The Rural Banking and Finance Corporation of New Zealand - 6.3.1981 at 10.49 am

871467/1 Transfer being a grant of the following easements shown marked on the diagram annexed thereto together with incidental rights

A.L.R.

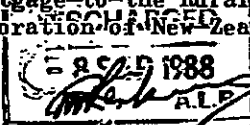
550376/5 Memorandum of Priority ranking Mortgage 550376/2 as a first mortgage Mortgage 550376/3 as a second mortgage Mortgage 550376/4 as a third mortgage and Mortgage 177172 as a fourth mortgage - 6.3.1981 at 10.50 am

- i Rights to convey water over parts marked A-B and B-C appurtenant to Section 17 Block XIII Lower Hawea SD (CT 11A/1213) Section 16 Block XIII Lower Hawea SD (CT 6A/980) Section 1 Block XIII Lower Hawea SD (CT 10B/1327) and Sections 43,44,45,46,47,48 and 49 Block I Lower Hawea SD (CT 66/75)
- ii A right to store water over part marked B appurtenant to Section 17 Block XIII Lower Hawea SD (CT 11A/1213) Section 16 Block XIII Lower Hawea SD (CT 6A/980) Section 1 Block XIII Lower Hawea SD (CT 10B/1327) and Sections 43,44,45,46,47,48 and 49 Block I Lower Hawea SD (CT 66/75)

A.L.R.

556257/1 Variation of Mortgage 550376/4 - 18.6.1981 at 2.14 pm

556257/2 Mortgage to the Rural Banking and Finance Corporation of New Zealand - 18.6.1981 at 2.14 pm



A.L.R.

78313 Variation of Mortgage 556257/2 - 28.6.1982 at 1.44 pm

871467/4 Mortgage to Wrightson Farmers Finance Limited - 7.12.1994 at 9.27am

A.L.R.

628251 Variation of Mortgage 550376/3 - 21.12.1984 at 2.57pm

883727 Memorandum renewing the term of the within lease for a further period of 33 years commencing on the 1.7.1993 and fixing (for the first 11 years) the annual rent of \$7200.00 calculated on a rental value of \$480,000.00 - 7.6.1995 at 10.27am

A.L.R.

643830 Land Improvement Agreement under the Soil Conservation and Rivers Control Act 1941 - 8.10.1985 at 9.21am

A.L.R.

783303 Mortgage to Wrightson Farmers Finance Limited - 12.7.1991 at 9.13 am

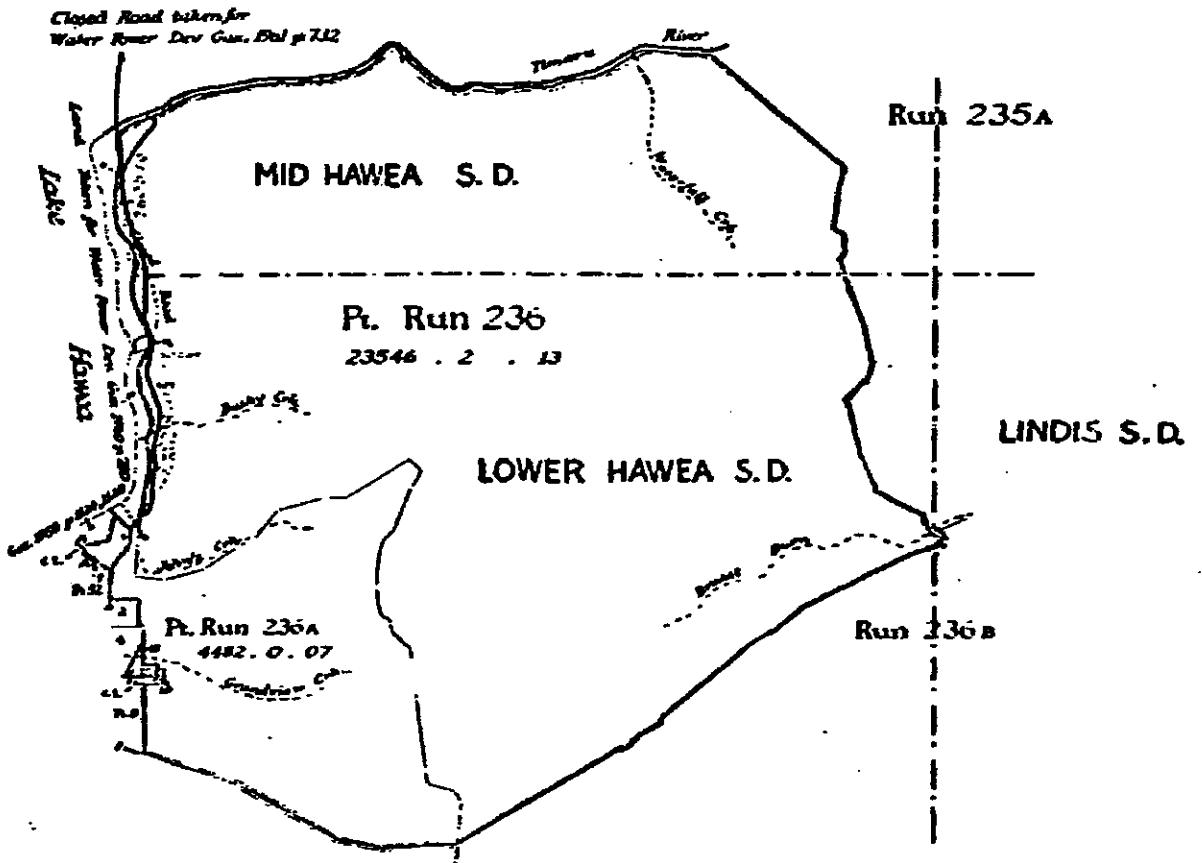
Part of the within land is now known as Sections 1 (2.48ha) 4 (5250m²) 5 (9.30 ha) and 6 (1.30 ha) SO Plan 24540 - 18.2.1998 at 9.19

A.L.R.

New Appellation 943781.1

for DLR

451187



Total Area: 28028 - 2 - 20
 28035 - 0 - 20 250548
 34 - 2 - 19 + 260510
 27990 - 2 - 00-6

Scale: 1 Mile to an inch
 EQUIVALENT METRIC
 AREA IS 11327.355oha

S.O. 1180, 1179, 12493 &
 12463

ATTACHMENT 2:

Undertaking by CCL to negotiate access.

KNIGHT FRANK
ALEXANDRA
29 JAN 1999
RECEIVED

25

Our Ref: **VERY IMPORTANT COMMITMENTS**

Your Ref:



COPY

27 January 1999

Mr Geoff Holgate
Knight Frank (NZ) Ltd
P O Box 142
CHRISTCHURCH

1. Tim ✓
2. Pg 286

Dear Geoff

FUTURE POSSIBLE TENURE REVIEWS OF MT BURKE, HUNTER VALLEY, DINGLEBURN AND LAKE HAWEA PASTORAL RUNS

REQUEST

1 Please place a copy of this memorandum on the files of each of the above properties and any that I may have missed. This memorandum is to be taken into account if any of the proprietors of the above properties apply for tenure review (pursuant to the Crown Pastoral Lands Act 1998), at any time in the future.

PROPOSAL

2 It is proposed that the Crown will attempt in good faith to negotiate access rights for Contact Energy Ltd, (the company) if any of the proprietors of the above properties apply for tenure review in the future. The access required is from the nearest public road, over areas that may be freeholded, to the edges of Lake Hawea.

3 This access is required in case the company needs to repair erosion damage to the lake margins, caused by the company's water storage operations. The level of access required will vary from property to property so initial consultation should be carried out with the company to determine its needs, if a lakeside property tenure review application is received.

4 It is in the Crown's and freeholders' interests that land access is available, particularly if the company needs to move heavy equipment and loads of boulders to form armouring or protective works. It is therefore appropriate that access is treated as a "benefit" to be purchased (with the Crown's equity) as part of the Crown's ongoing interest.

National Office
Lambton House
160 Lambton Quay
Private Box 5501
Wellington
New Zealand
Tel 64-4-460 0100
Fax 64-4-460 0111
Internet
<http://www.lnz.govt.nz>

BACKGROUND

- 5 In 1988 the Government sold its electricity generation business to the State Owned Enterprise, Electricity Corporation N Z Ltd (ECNZ). The sale included the right to store water for generation of electricity purposes, in each of the hydro lakes associated with a hydro electricity dam. ECNZ's right is provided for in a Deed of Operating Easement issued by the Commissioner of Crown Lands, pursuant to section 60 of the Land Act 1948.
- 6 The Government's 1998 decision to split ECNZ into three separate entities has resulted in a closer scrutiny of the conditions of each operating easement. Contact Energy Ltd is entitled to purchase the hydro generation assets (and easement rights) on the Clutha River system. This includes storage rights in Lake Hawea. The company is concerned to make adequate provision now, for any future liabilities that it may face.
- 7 The company is responsible under its operating easement agreement to repair erosion damage caused by its operations, to the extent that the erosion poses a serious problem for neighbours (who may sue the Crown) and to the extent that a remedy is able to be achieved. In the case of Lake Hawea, the company wishes to make provision for land access to the lake edges should this ever be required. Otherwise, it will be forced if the need arises, to use the less favoured and less practical barging method to deploy machinery and materials from off the lake itself.

MATTERS TO BE TAKEN INTO ACCOUNT

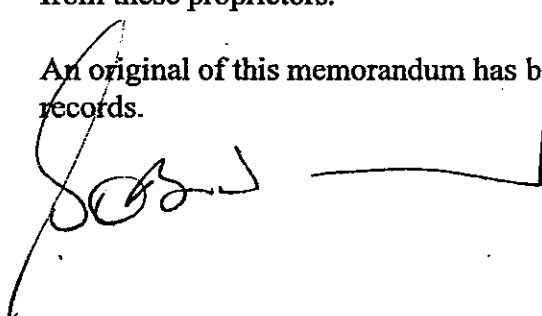
- 8 The rights required will vary from property to property, depending on the areas on each that are at risk. Regardless, these rights should not be overly expensive to purchase as the likelihood is that access will be required only infrequently and even then, to provide some benefit for the owner over whose property access is sought.
- 9 The normal negotiating principles for tenure review are still to apply. That is, the Crown wishes to exchange its interest in Crown pastoral leases for physical benefits (such as the return of land with conservation values) and intrinsic benefits (such as access and protection covenants) in return for freeholding the (commercial) balance. The Crown must reach agreement by negotiating in good faith. It will not force issues upon lessees. However, nor will it agree to pay in excess for the benefits its wishes to acquire.
- 10 The access rights sought are formal rights to enter after prior notification is given to the owner by the company and it takes into account the owners current circumstances where possible. However, I anticipate that repair of any damage to pasture or improvements that results from access

(particularly prolonged access) will need to be separately negotiated between the company and the owner, at the time of entry.

- 11 The Crown's objective for tenure review, is to reach an overall, balanced, mutually agreed tenure review result, preferably with provision of access for the company. A chance to settle on an otherwise balanced proposal is not to be sacrificed for lack of access (or any other single feature). If agreement on an overall, balanced proposal cannot be achieved the Crown will (as normal) withdraw from tenure review and the lessee may continue with his or her existing pastoral lease contract.
- 12 The Crown has no right to intervene in a lease agreement save that it either takes the land it requires under the Public Works Act or negotiates with the lessee. The company will be able to negotiate with lessees should the need arise. Any agreement reached with the lessee will require the Crown's consent, but this will not be unreasonably withheld.

DUE DILIGENCE PROCESS

- 13 Contact Energy Ltd is currently undertaking its due diligence process before finalising its purchase. This memorandum forms part of that process. It is an undertaking to the company that the Crown will attempt in good faith to negotiate access with the proprietors of Crown pastoral lease properties that adjoin Lake Hawea, in the event that tenure review applications are received from these proprietors.
- 14 An original of this memorandum has been provided to the company for its records.


S D Brown
Chief Crown Property Officer &
Commissioner of Crown Lands